

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JEFF PATTISON**, on February 11, 2003
at 8 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Rep. Jeff Pattison, Chairman (R)
Sen. Bill Tash, Vice Chairman (R)
Rep. John Musgrove (D)
Sen. Linda Nelson (D)
Rep. Rick Ripley (R)
Sen. Debbie Shea (D)

Members Excused: Sen. Edward Butcher (R)

Members Absent: None.

Staff Present: Kelly Gorin, OBPP
Gary Hamel, Legislative Branch
Elaine Olsen, Committee Secretary
Doug Schmitz, OBPP
Todd Younkin, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape time stamp refers to material which follows.

Committee Business Summary:

Hearing & Date Posted:
Executive Action: FISH WILDLIFE AND PARKS BUDGET
ITEMS

All votes are voice votes unless otherwise indicated.

{Tape: 1; Side: A; Approx. Time Counter: 1 - 11}

Jeff Hagener, Director, Department of Fish Wildlife and Parks (FWP), presented a list of legislative contract authority (LCA) currently in place. The contracts are divided into short-term, which is those that will expire during the next biennium, and long-term, which is those contracts that have been in effect for several years and may continue for several years.

EXHIBIT (jnh30a01)

Director Hagener said the contracts have been broken down by Division. Some have been active for about twenty years on the LCA basis and were not included in the base. The Committee's proposal is to move the contracts into the base. The one-time-only (OTO), short-term contracts total \$2.25 million. If the long-term LCA go into the base, the 41.7 FTE in those contracts would not come under separate decision packages.

CHAIRMAN PATTISON asked if the FTE would be listed under the federal authority. **Director Hagener** said the FTE would show up in the base.

Gary Hamel said that during any future session, the Committee members could request to see any projects that are in the base. The projects funded through the LCA have not been listed in the Budget Book individually. The Committee has the authority to remove any project, regardless of the funding.

REP. RIPLEY asked why the numbers on the information provided today were different from the numbers in the Budget Book.

Director Hagener said the numbers in the Budget Book reflected the short-term and long-term contracts and include anticipated costs of new contracts that are likely to be initiated in the next year. **Gary Hamel** explained that while the Legislature is in session, if a federally-funded contract comes up, the Department has to come before the Legislature and request that spending authority. Anticipated contracts are put in the book as a "place holder."

SEN. SHEA asked if the Department has one person responsible for applying for federal contracts. **Director Hagener** said no one person is responsible for negotiating contracts. **SEN. SHEA** asked what personnel was used on projects where no FTE is designated. **Director Hagener** said that in some cases the work was contracted out. **SEN. SHEA** asked where the personnel costs would be shown on the LCA. **Director Hagener** said the personnel expenses would come under operations costs.

{Tape: 1; Side: A; Approx. Time Counter: 11 - 16}

SEN. SHEA commented that the projects have value as demonstrated by the fact that each project has been reviewed on the federal level and has been funded.

REP. MUSGROVE commented that the discussion was primarily addressing two different accounting methods. **Gary Hamel** said that typically agencies would come forward with a proposed contract, the request for spending authority would be reviewed, and the authorization would be given. Authority was given up front, and then a report was provided afterward.

Director Hagener clarified that the discussion was focused on putting the LCA into the base. The Department would be comfortable with the requirement to provide more reporting.

SEN. SHEA asked why the Committee would go through each LCA individually. **Director Hagener** said the Department would be happy to review each LCA if the Committee desired.

{Tape: 1; Side: A; Approx. Time Counter: 16 - 19}

Gary Hamel said someone on the Committee could make a motion to accept the LCA as proposed. All of the projects would be input as described. The Committee has until the end of the session to revisit any one of the contracts. The Committee does not have to go through the contracts one-by-one.

SEN. NELSON said she wanted to be clear on the long-term contracts. She asked if once the contracts are approved, did they then go into the base. Then the FTE are in the base when the next Legislature reviewed the budget. **Gary Hamel** said that was correct.

{Tape: 1; Side: A; Approx. Time Counter: 19 - 25}

Gary Hamel said the short-term federal contracts would be one time only, and they would come out of the base at the start of the next Legislative session. The long-term contracts are ongoing and long-term in nature and probably belong in HB2. If the Committee wanted to accept the package as proposed, a motion could be made to accept the DP as presented in the LCA summary provided by FWP.

In response to questions from **SEN. SHEA**, **Gary Hamel** said that the Committee could reject the proposal and continue with the

existing process for LCA. Long-term contracts could be reviewed each session. **Director Hagener** said that most of the long-term contracts have been in place for several years. The Department has no issue with continuing with the approval procedure as it currently exists. The LFD suggested the possibility of bringing the contracts into the base.

Gary Hamel explained that the process for obtaining LCA during the interim was slow and so authority was given up front.

Motion/Vote: SEN. NELSON moved that APPROVAL OF ALL SHORT-TERM CONTRACTS ONE-TIME-ONLY DO PASS. Motion carried unanimously.

{Tape: 1; Side: A; Approx. Time Counter: 25 - 30}

Gary Hamel said that the Department budget would accurately reflect all of the ongoing activities and FTE if the long-term contracts were put into the base. The regular process would not show the number of FTE working in the Department.

SEN. NELSON asked how long a "long-term" contract was. **Gary Hamel** said that some contracts have to be renewed every year but have been ongoing for 14 or 15 years. The criterion used to define long-term is anything that is going to be ending beyond the next biennium.

{Tape: 1; Side: B; Approx. Time Counter: 1 - 4}

REP. RIPLEY asked if the contracts are brought into the base, would the budget then show an increase of 41.75 FTE and \$7.5 million increase in funding. **Gary Hamel** said that the bottom line of the budget would show a decrease in the amount of funding. The FTE are being paid already, but they are not being reflected in the HB2 budget.

REP. RIPLEY said he would prefer that the budget more accurately reflect the FTE and the dollar amount. It may appear as an increase of FTE right now, but the positions already exist, and the budget should reflect that.

Motion/Vote: REP. RIPLEY moved that MOVE THE LONG-TERM LEGISLATIVE CONTRACT AUTHORITY INTO THE BASE DO PASS. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Time Counter: 4 - 10}

Director Hagener presented a handout illustrating the reduction in FTE in FWP through the Committee's action. So far a total of

10.72 FTE have been cut resulting in a reduction in expenditures of \$424,007 in FY04 and \$449,405 in FY05. To meet the targeted reduction of 20 FTE, the Department must eliminate an additional 9.28 FTE. The Committee had targeted positions vacant as of December funded in part by General License money.

The Department presented an updated list of positions vacant as of the end of January 2003. The handout indicates proposed reductions and positions already eliminated by the Committee.

EXHIBIT (jnh30a02)

EXHIBIT (jnh30a03)

REP. RIPLEY stated that the handout did not accurately reflect his motion. **Gary Hamel** said the REP. RIPLEY's motion had been "to remove 20 FTE vacant over 180 days with the General License account as the primary funding source." If the motion was intended to remove up to 20 FTE that were vacant over 180 days, the executive action cuts were all new FTE, none of which were in the Department's base, therefore they would not be defined as "current or existing positions vacant over 180 days."

CHAIRMAN PATTISON said he had spoken to Director Hagener about some of the FTE that had been cut by Committee action and had indicated to the Director that those eliminated positions could be considered as part of the target total reduction of 20 FTE. He said it was his intent to reduce the FTE funded by General License money in an effort to preserve the integrity of the account.

{Tape: 1; Side: B; Approx. Time Counter: 10 - 15}

Director Hagener said that not all of the positions eliminated by the Committee were existing positions. Some of the eliminated FTE were modified existing positions, and those employees would now be gone. Additional positions have been eliminated by the Committee but are not shown because the positions were not funded by General License money. The handout shows only those positions that contain General License dollars in the funding.

Gary Hamel said that the modified positions are not reflected in the base; they are not permanent FTE so are not in the budget.

Director Hagener clarified that the positions are staffed and active. **CHAIRMAN PATTISON** said that the Committee's intent in the process was to look at vacant FTE.

{Tape: 1; Side: B; Approx. Time Counter: 15 - 30}

REP. RIPLEY asked how many positions which have been vacant for more than 180 days the Department would have after this action.

Director Hagener said that nine FTE are on the list that have been vacant more than 180 days and will remain vacant. The Department feels those positions are vital to their operations.

REP. RIPLEY asked if the nine remaining FTE were seasonal positions. **Director Hagener** said that the nine remaining were high priority positions.

CHAIRMAN PATTISON asked if the 10.72 positions that have been eliminated by Committee action were shown on Exhibit 3. **Director Hagener** said the sheet showed additional FTE positions funded by General License dollars that have been vacant for more than 180 days. The 10.72 were either in a new proposal or they were one-time-only approvals from past action that were not approved again.

Gary Hamel said that none of the positions were in the Department base; all of the 10.72 FTE were new positions. Some positions may have been filled in a modified capacity, however, from the budgetary standpoint, those were new positions being requested, and do not reflect a reduction of FTE.

{Tape: 2; Side: A; Approx. Time Counter: 1 - 5}

CHAIRMAN PATTISON asked how many of the FTE that were eliminated by the Committee were new proposal positions. **Gary Hamel** said that virtually all of the eliminated FTE were new proposals.

Director Hagener said the Department's sheet reflects that nine were modified positions, and four were actually occupied.

CHAIRMAN PATTISON asked of the 10.72 FTE that were not approved by the Committee, how many of those were new proposals as opposed to one-time-only modified positions. **Director Hagener** said that eight of the disapproved FTE were new positions.

CHAIRMAN PATTISON asked for confirmation that the Department had nine vacancies that had been unfilled for over 180 days.

Director Hagener said that the nine positions are not totally funded by General License funds, so the total is less than nine FTE of General License funding.

CHAIRMAN PATTISON asked for clarification on the numbers shown on Exhibit 3. **Director Hagener** said the totals included positions that have General License funding that were vacant as of 01/30/2003. Not all of the positions have been vacant greater

than 180 days. Some of the vacant positions are seasonal and some are vacant because of recent retirement.

SEN. SHEA asked for clarification on how many actual positions were represented by the nine vacancies. **Director Hagener** said that those positions vacant more than 180 days total 8.57 FTE. **Chris Smith, FWP**, said that the list in Exhibit 3 shows positions vacant more than 180 days and that there is a total of 8.57 positions. Some of that 8.57 FTE are reflected in the proposed additional cuts on Exhibit 2. In some cases the additional 9.28 FTE offered as additional cuts have been vacant less than 180 days. The 9.28 does not include any of the FTE in the proposed new programs that were not approved.

CHAIRMAN PATTISON summarized by stating that the executive action cuts total 10.72 FTE. Out of that 10.72 FTE, 2.75 were modified positions and the rest were new program positions. What has been presented on Exhibit 2 represents 9.28 FTE. The positions eliminated by Committee action have been added to the proposed 9.28 additional cuts to bring the total reductions to 20 FTE.

REP. RIPLEY summarized that 12 FTE have been eliminated or proposed for elimination, and that his motion was for 20 FTE. **Gary Hamel** said that the original motion did not include modified positions, therefore, the Department is coming forth with 9.28 additional FTE out of the 20.

{Tape: 1; Side: B; Approx. Time Counter: 5 - 10}

After extensive discussion over the original motion and the FTE proposed for reduction by the Department, **REP. RIPLEY** stated that it was his intent to take those positions that were vacant for over 180 days and were funded by General License dollars. **REP. RIPLEY** said, "I also would like to give the Director the authority to take those positions that are the lesser priority. That's part of his job, not mine."

CHAIRMAN PATTISON said that he felt that Director Hagener had been fair and up front in an effort to identify FTE which would meet the intent of **REP. RIPLEY**'s motion. **REP. RIPLEY** said that he thought the action the Department has taken is everything that was intended, and perhaps 20 FTE was not a realistic number.

Gary Hamel said it was his job to point out that the 10.72 FTE did not meet the criteria, and that the 9.28 positions do meet that criteria of the original motion. If the number of 20 FTE was the intended target, FTE could be decreased in other areas beyond General License account. The additional up to 20 FTE

could be taken from other sources. Such action is certainly the prerogative of the Committee.

REP. RIPLEY said the ultimate goal is to preserve the General License account.

{Tape: 2; Side: A; Approx. Time Counter: 10 - 15}

Director Hagener said that there are probably some FTE that are funded by sources that have been vacant for greater than 180 days.

Chairman Pattison said it was his understanding that the Committee was concerned with trying to preserve the General License account from any increase for as long as possible. **Gary Hamel** said the Committee could go to something less than 180 days if that was **REP. RIPLEY's** desire. There would be more positions under the General License account if the Committee wanted to go on a month-by-month basis to achieve the 20 FTE reductions.

Director Hagener said that the reason all the positions are vacant is because of the vacancy savings the Legislature had imposed on the Department and the hiring freeze that was imposed for four months last year.

{Tape: 1; Side: B; Approx. Time Counter: 15 - 18}

REP. RIPLEY said he would be willing to change his motion to accept the proposal by the Department at this time.

Substitute Motion/Vote: **REP. RIPLEY** made a substitute motion that **ACCEPT THE DEPARTMENT'S PROPOSAL FOR A REDUCTION IN FTE DO PASS**. Substitute motion carried 5-2 with **REP. MUSGROVE** and **SEN. NELSON** voting no.

{Tape: 1; Side: B; Approx. Time Counter: 18 - 23}

Todd Younkin, LFD, said that gave a brief overview of the Department of Commerce(DOC) LFD sheet.

EXHIBIT(jnh30a04)

SEN. TASH asked if the Department had indicated how much they would be able to cut in the Coal Board Grants. **Todd Younkin** replied that to meet the balance of the unspecified reduction remaining, if all other proposals were accepted, the Coal Board Grants would have to be reduced by approximately \$140,000.

Doug Schmitz said the Coal Board funds are Coal Severance Tax Account monies. Unappropriated amounts revert to the General Fund.

{Tape: 1; Side: B; Approx. Time Counter: 23 - 30}

Mark Simonich, Director, DOC, said the mission of the DOC is to enhance economic prosperity in Montana by working with community partners to foster community-led diversification of the Montana economy, and to maintain and improve Montana's infrastructure, housing and facilities. The Department is comprised of the Housing Division, Community Development Division, Management Services Division, Business Resources Division, and the Montana Promotion Division. The six boards administratively attached to the DOC are the Board of Investments, Facility Finance Authority, Board of Housing, Research and Commercialization, Hard Rock Mining Impact Board and the Coal Board. **EXHIBIT(jnh30a05)**

Mark Simonich continued, stating that three advisory councils are attached to DOC. The Governor's Tourism Advisory Council is provided for in statute which includes very specific responsibilities for determining the allocation of 22.5 percent of the Bed Tax. The Small Business Development Center Advisory Council is federally required for the administration of Small Business Development Program. The Micro Business Development Advisory Council is provided for by Montana statute. The Council may be changed this session as a result of HB76.

{Tape: 2; Side: B; Approx. Time Counter: 1 - 15}

Mark Simonich said that the last Legislature reorganized the DOC to provide for a better business and community development focus. All of the regulatory programs were removed from the DOC. Funding for DOC activities is varied with a limited amount of funding coming from the General Fund and some State Special Revenue sources. Federal funding in housing programs makes up the majority of the DOC funding. HB576 contains the proprietary funding for the Department. Statutory appropriations are either Bed Tax dollars or General Fund. Some of the programs operate from funds they are generated by their projects. The DOC reduced about \$4.5 million from the budget during the Special Session.

Mark Simonich said that one of the budget issues is the DOC rent. Last July all of the Divisions within the Department co-located to 301 South Park which consolidated the Department, reduced the number of leases and reduced the cost to the General Fund. The lease is for 17 years.

Mark Simonich said that the Department's budget represents an effort to meet the reductions necessary. If more reductions are needed, the Department would like to work with the Committee to eliminate a lower priority program rather than trim funding from several.

{Tape: 2; Side: B; Approx. Time Counter: 15 - 26}

Garett Bacon, Leasing Officer, Department of Administration(DOA), said that the DOA did a space study of all the agencies in 1999. For efficiency and program management, DOC was consolidated to the space at 301 South Park. Previously DOC had been leasing space in several areas and some of those leases were to be terminated. Public access was complicated by the lack of parking and by the various programs having different locations.

REP. MUSGROVE asked for more information on the 17-year lease. **Garett Bacon** said that the long-term lease was at a favorable rent rate with a two percent increase over the 17 years with no pass-through or adjustments. In the event of government down-sizing, it is an advantage not to own the building. It would be 20 years before it would be cheaper to own the building than to lease it.

CHAIRMAN PATTISON asked when and why the federal agencies vacated the building. **Garett Bacon** said that the lease had been for 20 years. At that point the federal government began seeking a building that would meet new earthquake standards and other building codes. **Doug Schmitz** commented that part of the economic development packages put together for downtown Helena and Great Northern Development included the addition of the new federal building and the Federal Court building.

{Tape: 3; Side: A; Approx. Time Counter: 1 - 11}

Bruce Brensdal, Administrator, Housing Division, DOC, presented a brief overview of the Housing Division, which is primarily comprised of three units: Section Eight, HOME Investment Partnerships, and Board of Housing.

Section Eight is a rental subsidy program operated by the Housing and Urban Development(HUD) and administered by the DOC. The subsidy can be tenant-based or project-based. Over 6,600 are on the waiting list for the tenant-based vouchers. The project-based program has about 106 projects. Both projects operate on performance-based contracts with HUD. The funding is federal dollars, and the Department receives an administrative fee to operate the program.

Bruce Brensdal said that through the HOME Investment Partnerships program local government, public housing authorities and community housing development organizations are eligible to apply for \$4.2 million in grants annually. HUD awards grants to the DOC HOME Program. The HOME Program then awards grants to local communities on an annual basis. HUD allows a certain amount for administration of the program.

Bruce Brensdal said the Board of Housing was established in 1975 and is governed by a seven-member board appointed by the Governor. The Board issues tax-exempt bonds to purchase single and multifamily mortgages. The bonds for single family homes are backed by mortgages only with no state or federal backing or liability. The Board issues tax-exempt mortgage revenue bonds and used the proceeds from these bonds to purchase mortgages from financial institutions around the state. Any income earned must be used for other housing activities.

Bruce Brensdal said the multifamily program consists of the permanent financing, affordable housing revolving loan account, and low income housing tax credits. These projects are financed by bond programs, affordable housing revolving loan account and low income housing federal tax credits.

Bruce Brensdal said that the purpose of the Reverse Annuity Mortgage program is to help seniors access the equity in their homes to help pay living expenses. The exhibit illustrated the economic benefits of the programs administered by the Division.

Bruce Brensdal concluded by saying that the Housing Division has provided housing to every community in Montana, that the Housing Division does not compete with private industry and that the Housing Division partners with all housing organization in Montana.

EXHIBIT (jnh30a06)

{Tape: 3; Side: A; Approx. Time Counter: 11 - 20}

SEN. TASH asked about the seven preservation projects referenced in the Board of Housing program. **Bruce Brensdal** said that one person owned seven housing projects with expiring HUD contracts. A new purchaser was funded through the Board of Housing multifamily program keeping the rentals affordable rather than going to the market rate.

SEN. TASH asked how the eligibility was determined. **Bruce Brensdal** replied that income levels are used to determine eligibility for the subsidized housing.

REP. RIPLEY asked what percent of the HUD funding was retained for administrative costs. **Bruce Brensdal** said in the Home program ten percent is retained for administrative costs. For the Section Eight programs the rates are two percent and seven percent, and for the Board of Housing the rate for single family is one and one eighth percent and multifamily is one and one half percent. The Tax Credit Program is charged by percent of the tax credit at four and one half percent. The compliance side charges \$20 per unit.

SEN. TASH asked how approval for the units is determined. **Bruce Brensdal** said that for the multifamily mortgage program, the Division accepts applications monthly. Tax credit program applications are accepted twice a year. Financial statements must accompany the application. The market need is evaluated and the Board then makes a determination on the funding.

SEN. NELSON asked about the make-up of the Board. **Bruce Brensdal** said that members are appointed from across the state on staggered, four-year cycles. The Board meets in Helena and other communities once a month.

Bruce Brensdal said the average age of participants in the Reverse Annuity Mortgage program is over 80 years of age. Tenancy requirements are set by administrative rule. To meet the occupancy requirement, the owner must live in the home for some period every 180 days. The loan can be repaid through the sale of the house or by refinancing to a private loan. The repayments end after ten years.

{Tape: 3; Side: A; Approx. Time Counter: 21 - 27}

Newell Anderson, Administrator, Community Development Division, DOC, gave an overview of the Division, noting the need for the delivery of services given the relative size of the local governments throughout Montana. Most of the units of local governments are in the smaller size. In Montana's 56 counties, there are in excess of 1,300 local governmental entities.

Newell Anderson said the Division is comprised of the Local Government Assistance Bureau, and two sections which operate within that bureau. He commented that the majority of resources within the Division are pass-through resources in the form of State Special Revenue, federal funding and in some cases General

Fund money. The amount of State Special funds has increased primarily due to the Treasure State Endowment Program(TSEP).

EXHIBIT(jnh30a07)

Newell Anderson said the Montana Coal Board is attached to the Division. The Board is statutorily mandated to deal with the mitigation of impacts from coal development and decline. In the '03 biennium about \$2.5 million in funding was available for 26 projects.

Newell Anderson said the Hard-Rock Mining Impact Board is statutorily mandated to supply technical assistance, analysis, mitigation and mediation services to local governments and hard rock mining developers during the development, operation and decline of hard rock mining. The Board is administratively attached to the Division.

{Tape: 3; Side: B; Approx. Time Counter: 1 - 16}

Newell Anderson explained that the Board had precisely defined the elements of the development phase, the ongoing phase and the decline phase of hard-rock mining. Contained within the impact act is tax base sharing, tax credits and the local jurisdiction decline impact trust account. The Board is a five-member, citizen, quasi-judicial board appointed by the Governor.

Newell Anderson stated that the Community Development Block Grant Program is a federal government contract with the state to operate the Small Cities Program in Montana. Funds are used to assist local governments with their greatest public facility, housing and community revitalization needs.

Newell Anderson said the Community Technical Assistance Program was statutorily established to provided statewide uniform guidance and capacity for public community planning, land development and growth management. The program is directed by legislative statute, operating rules of the executive brand, by the resources allocated to the program, and by the demand from local governments, land developers, engineers and surveying professionals and taxpaying citizens. The program is funded totally by General Fund.

Newell Anderson said the program includes an extensive library of media resources for local checkout. The staff provides over 3,800 telephone and written consultations a year to individuals needing to understand a development issue. To be funded projects must meet a national objective and have at least 51 percent

benefit to low and moderate income people. Applications are scored by criteria set by the federal government which includes need for the project, community effort and need for financial assistance as well as other factors.

Newell Anderson described the Treasure State Endowment Program(TSEP), which was established by a state-wide voter referendum in 1992, to assist local governments in funding their infrastructure projects that will create jobs and promote economic growth and security. Eligible projects types are drinking water systems, waste water systems, sanitary or storm sewer systems, waste disposal and separation systems and bridges.

Newell Anderson said the Legislature has established a ranking criteria which includes solving an urgent health or safety problem, financial need and jobs or business expansion. Applications are solicited from all Montana communities and are reviewed and ranked by DOC. The applications are then sent to the Governor with recommendations on how the projects meet the criteria. The Governor reviews and ranks the list for the Legislature where the Joint Long Range Planning Subcommittee holds hearings on the recommendations under HB11.

Newell Anderson state that funding is through State Special Revenue Funds. The TSEP program has \$425,000 for the 2005 biennium to fund matching grants to local projects. TSEP was authorized \$100,000 in the last biennium for local emergency repair grants.

Newell Anderson concluded by providing a summary of each of the programs, the funding sources for each, and program highlights. The proposed decision packages were outlined.

{Tape: 3; Side: B; Approx. Time Counter: 27 - 31}

CHAIRMAN PATTISON asked if projects were limited in funding by statute. **Newell Anderson** said that by administrative rules, the grants were limited to \$500,000 per application.

{Tape: 4; Side: A; Approx. Time Counter: 1 - 4}

CHAIRMAN PATTISON asked why the Department wanted to change to a biennial appropriation. **Newell Anderson** replied that applications and the attendant work do not always fall within a fiscal year. A biennial appropriation would allow for more flexibility.

ADJOURNMENT

Adjournment: 12 P.M.

REP. JEFF PATTISON, Chairman

ELAINE G. OLSEN, Secretary

JP/EGO

EXHIBIT (jnh30aad)